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Attorney for Plaintiffs:
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7 UNITED STATES DISTRICT COURT
8 CENTRAL DISTRICT OF CALIFORNIA
9

10 Theresa Weston and Delmar Weston,
11 D/B/A Action on Film

12 Plaintiffs,

13 vs.

14
15 Spotlight Cinema Networks, LLC, a Texas
16 Company, Fox Cable Networks, Inc., A
17 Delaware Corporation and DOES 1 through
18 10, inclusive defendants.

Case No.: 2:17- CV-3369

Complaint For Damages
DEMAND FOR JURY TRIAL

19
20 Plaintiffs Allege:

- 21
- 22 1. This action is brought in this Court and Federal Jurisdiction is invoked pursuant to 28
- 23 U.S.C. §1332 (Diversity). All the plaintiffs are domiciled in the state of Nevada and
- 24 the defendants, Spotlight Cinema Networks, LLC and Fox Cable Networks, Inc. have
- 25 their headquarters in Los Angeles County, California. Plaintiffs, and each of them,
- 26 have suffered damages in excess of \$75,000.00.
- 27
- 28

- 1 2. Plaintiffs D/B/A Action on Film (AOF) are a partnership engaged in the business of
2 organizing, promoting and operating their annual “Action on Film, Film Festival.”
3 (AOF Festival)
- 4 3. Defendant SPOTLIGHT CINEMA NETWORKS, LLC (hereinafter
5 “SPOTLIGHT”) is a limited liability company incorporated in the state of Texas.
- 6 4. Defendant FOX CABLE NETWORKS, Inc. is a corporation engaged in broadcasting
7 programming over cable and satellite systems. It is headquartered at 10201 West Pico
8 Boulevard, Los Angeles, California 90035.
- 9 5. Defendant Does 1 through 10, inclusive, are sued fictitiously at this time because
10 either their identity, whether corporate, individual, or an association, or the basis for
11 their liability, or both, is unknown at this time. Plaintiff shall seek leave to amend this
12 complaint to set forth the identity and basis for any and all Doe defendants upon
13 discovery of their identity or basis for liability, to set forth their true and correct name
14 and conduct giving rise to liability in place and instead of their present Doe identity.
- 15 6. Defendant SPOTLIGHT’s headquarters are located at 11601 Wilshire Boulevard,
16 Santa Monica, California 90025.
- 17 7. During the 2016 calendar year, the AOF Festival was conducted and held in Los
18 Angeles County, California during the dates of September 1 and September 10, 2016.
- 19 8. SPOTLIGHT is engaged in the advertising business.
- 20 9. SPOTLIGHT maintains a website www.spotlightcinemanetworks.com that describes
21 some or all of the services they provide. Amongst the services SPOTLIGHT provides
22 is locating and negotiating with various entities such as the plaintiffs for the
23 presentation of audio-visual advertising on behalf of their clients.
- 24 10. On or about June 22, 2016 plaintiffs, D/B/A AOF, received confirmation from
25 Christine Del-Guidice Kraemer, Vice President of marketing that AOF had
26 successfully applied for Spotlight Support Program. (Exhibit A, e-mail dated July 28,
27 2016 to plaintiff Theresa Weston)
- 28

- 1 11. SPOTLIGHT markets its Spotlight Support Program as a means for film festivals,
2 theaters and others similarly situated to obtain advertisers and sponsors who market
3 their products and services. This is intended to provide revenue for the program
4 participants such as plaintiffs and others similarly situated.
- 5 12. On July 21, 2016 defendant SPOTLIGHT acknowledged receiving plaintiffs' fully
6 executed W-9 tax forms which defendant SPOTLIGHT had requested earlier on July
7 20, 2016. (Exhibit B, email dated July 21, 2016 to Plaintiff Theresa Weston)
8 Defendant SPOTLIGHT also requested Plaintiffs provide "drop-dead deadline to
9 receive creative for your Festival" [sic] and "the format [plaintiffs] would need to
10 receive creative." (Exhibit B, email dated July 21, 2016 to Plaintiff Theresa Weston)
- 11 13. On July 21, 2016, plaintiffs provided defendant SPOTLIGHT the drop-dead date of
12 August 22, 2016. (Exhibit B, email dated July 21, 2016 from Plaintiff Theresa Weston
13 to SPOTLIGHT V.P. of marketing, Christine Del-Guidice Kraemer)
- 14 14. On the same date, July 21, 2016, in the same correspondence referenced in ¶12,
15 defendant SPOTLIGHT informed plaintiffs would be receiving a program overview
16 and guidelines within two weeks.
- 17 15. Plaintiffs received the program overview and guidelines on July 28, 2016.
- 18 16. On July 21, 2016, plaintiffs provided defendant SPOTLIGHT the drop-dead date of
19 August 22, 2016. Exhibit C, e-mail exchange of July 21-22, 2016 between Plaintiff
20 Theresa Weston and Defendant SPOTLIGHT through their Vice President of
21 marketing, Christine Del-Guidice Kraemer)
- 22 17. On July 25, 2016 Defendant SPOTLIGHT informed plaintiffs that Defendant
23 Spotlight was processing the plaintiffs' \$500.00 incentive bonus. In the same e-mail
24 correspondence, Defendant SPOTLIGHT informed plaintiffs that they would shortly
25 be receiving their festival's payment level. (Exhibit D, email from Defendant
26 SPOTLIGHT through their Vice President of marketing, Christine Del-Guidice
27 Kraemer to plaintiffs on July 25, 2016)
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- 1 18. On August 12, 2016, Defendant SPOTLIGHT informed Plaintiffs that they
2 (SPOTLIGHT) “anticipated the range of payments shall be \$2,000.00 - \$5,000.00 per
3 placement.” (Exhibit E, email from Defendant SPOTLIGHT through their Vice
4 President of marketing, Christine Del-Guidice Kraemer to plaintiffs on August 12,
5 2016)
- 6 19. In the same e-mail communication referenced in ¶18, defendant SPOTLIGHT
7 informed plaintiffs that in order to receive payment after the AOF Festival, they would
8 have to submit an affidavit within two weeks of the end of the festival and that
9 payment would be made within 30 days after the receipt of the affidavit.
- 10 20. Also on August 12, 2016, defendant SPOTLIGHT informed Plaintiffs that the
11 payment per placement would be \$3,000.00. (Exhibit E, (last 2 pages) email from
12 Patrick Ferris, Senior Manager of Advertising Operation for Spotlight)
- 13 21. A series of e-mail exchanges were had between Plaintiffs and defendant SPOTLIGHT
14 regarding the number of times the Fox Cable Network, Inc. advertisement for the FX
15 Channel should appear. These e-mails were exchanged between August 16, 2016
16 through August 24, 2016. Defendant SPOTLIGHT indicated it wanted the FX
17 Channel advertisement appear as many times as possible.
- 18 22. Following written exchanges between the parties as to how many times the
19 SPOTLIGHT advertisement (for Defendant FOX CABLE NETWORK, INC., a/k/a
20 FX channel) should appear, plaintiffs informed defendant SPOTLIGHT on August
21 22, 2016 9:05 P.M. PST, that based on the placement of the SPOTLIGHT
22 advertisement (for FX channel) before each screening block as per the Defendant
23 SPOTLIGHT’S request, the estimated total cost for the advertisement placement for
24 FX Channel at the AOF Festival based on 165 instances of the FX advertisement
25 being shown would be $165 \times \$3,000.00 = \$495,000.00$. The e-mail included the
26 anticipated screening schedule. (Exhibit F, email which includes the \$495,000.00
27 estimated cost for 165 blocks of the advertisement, and SPOTLIGHT’s
28 acknowledgement of the quote)

1 23. The next day (defendant SPOTLIGHT's receipt of the email occurred at 12:05 A.M.
2 EST on the 23rd of August), on August 24, 2016, Defendant SPOTLIGHT through
3 their Vice President of marketing, Christine Del-Guidice Kraemer acknowledged in
4 her reply stating "[t]hanks for sending!" to the plaintiffs that she had received the e-
5 mail of the prior day that included the full \$495,000.00.

6 24. The AOF Festival concluded on September 10, 2016 as scheduled.

7 25. On September 12, 2016 Defendant SPOTLIGHT acknowledged receiving the
8 plaintiffs' affidavit and request for payment. Exhibit G, email from Defendant
9 SPOTLIGHT through their Vice President of marketing, Christine Del-Guidice
10 Kraemer to plaintiffs on September 12, 2016)

11
12 First Cause of Action

13 (As against both SPOTLIGHT and Fox Cable Networks, Inc.)
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15 26. Plaintiffs incorporate ¶¶ 1-25 as though fully set forth at this juncture.

16 27. Plaintiffs are informed and believe and thereupon allege that Defendant SPOTLIGHT
17 was at all relevant times, authorized to function as Fox Cable Networks, Inc.'s agent
18 for purposes of placing advertising at various events, locations and modalities,
19 including but not limited to the AOF Festival.

20 28. Plaintiffs are informed and believe and thereupon allege that Defendant SPOTLIGHT
21 was at all relevant times, acting and negotiating with the plaintiffs within the scope of
22 its agency with Fox Cable Networks, Inc. when it sought to place Fox Cable
23 Networks, Inc.'s throughout the Plaintiffs' AOF Festival.

24 29. Defendant SPOTLIGHT was aware of the plaintiffs' expectations regarding pricing
25 and payment for services rendered with respect to screening the advertisement for
26 defendant or Fox Cable Networks, Inc. no later than August 24, 2016.

27 30. Fox Cable Networks, Inc. was aware either actually or constructively as to plaintiffs'
28 expectations regarding payment for services rendered with respect to screening the

1 advertisement for defendant or Fox Cable Networks, Inc. no later than August 24,
2 2016.

3 31. Plaintiffs fully performed all terms of their agreed obligations to both SPOTLIGHT
4 and Fox Cable Networks, Inc. when they screened the agreed upon advertisement at
5 the times and places during the AOF as represented.

6 32. Plaintiffs further performed by making timely request for payment in the manner
7 requested by defendant SPOTLIGHT.

8 33. Defendants, SPOTLIGHT and Fox Cable Networks, Inc. accepted the benefit of the
9 screened advertisement as represented with full and complete knowledge of the
10 plaintiffs' pricing and expectations regarding the amount to be paid for services
11 rendered.

12 34. Defendants, SPOTLIGHT and Fox Cable Networks, Inc. breached their obligation to
13 the plaintiffs by only paying them \$3,500.00 (\$3,000.00 for the showing of the
14 advertising and \$500.00 for a pre-determined signing bonus) as total compensation to
15 plaintiffs, when Defendants, SPOTLIGHT and Fox Cable Networks, Inc. knew that
16 the plaintiffs price for the services rendered would be approximately \$495,000.00
17 (based on an estimate of 165 separate screenings of the advertisement) plus or minus,
18 depending on the actual number of times the advertisement was shown.

19 35. Defendants, SPOTLIGHT and Fox Cable Networks, Inc. were timely informed that
20 the requested advertisement was screened a total of 171 times.

21 36. Plaintiffs have suffered damages in excess of \$75,000.00 as a direct result of the
22 defendants' breach.

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Second Cause of Action

Quantum Meruit

(As against both SPOTLIGHT and Fox Cable Networks, Inc.)

37. Plaintiffs incorporate ¶¶s 1-36 as though fully set forth at this juncture.
38. Plaintiffs timely informed the defendants SPOTLIGHT and Fox Cable Networks, Inc. that the reasonable value of the services which they sought from the plaintiffs would be \$3,000.00 for each separate instance the agreed upon advertisement was shown to the audience(s) at the AOF Festival.
39. Plaintiffs showed the advertisement to the AOF Festival audiences as requested by SPOTLIGHT and Fox Cable Networks, Inc. and only after the defendants SPOTLIGHT and Fox Cable Networks, Inc. had been informed of the value of the requested advertising.
40. Defendants SPOTLIGHT and Fox Cable Networks, Inc. received advertising valued at \$510,000.00 for which they have not paid, and still refuse to pay the plaintiffs.
41. SPOTLIGHT and Fox Cable Networks, Inc. have been unjustly enriched by receipt of the advertising services plaintiffs provided, but for which the defendants SPOTLIGHT and Fox Cable Networks, Inc. have not paid plaintiffs.

Third Cause of Action

Detrimental Reliance

(As against both SPOTLIGHT and Fox Cable Networks, Inc.)

42. Plaintiffs incorporate ¶¶s 1-41 as though fully set forth at this juncture.
43. Plaintiffs continued to schedule and prepare to place the agreed upon advertisement supplied by defendants after providing the quotation and receipt of its acknowledgement by SPOTILGHT's Vice President of marketing, Christine Del-

Guidice Kraemer to the exclusion of seeking and engaging in other opportunities that would have generated far more than \$3,500.00

44. Plaintiff's reliance on the expected revenue as quoted was both reasonable under all the circumstances and detrimental to the plaintiffs financially in excess of \$75,000.00

Fourth Cause of Action

Breach of the Implied Covenant of Good Faith and Fair Dealing

(As against both SPOTLIGHT and Fox Cable Networks, Inc.)

45. Plaintiffs incorporate ¶¶ 1-44 as though fully set forth at this juncture.
46. Each and every contract subject to interpretation and adjudication pursuant to California law includes a covenant of good faith and fair dealing.
47. The contract in question was entered into with two defendants, SPOTLIGHT and Fox Cable Networks, Inc. whose main office are located in California.
48. The AOF Festival 2016 was conducted in California.
49. These two defendants, SPOTLIGHT and Fox Cable Networks, Inc. knew and acknowledged receipt of the plaintiffs expected financial remuneration for showing the agreed upon advertisement an estimated 165 times was \$495,000.00 over a week before the AOF Festival 2016 was to begin.
50. These two defendants, SPOTLIGHT and Fox Cable Networks, Inc. simultaneously expected the agreed upon advertisement to be shown as many times as possible at the AOF Festival 2016, with an estimate of 165 showings, and did not inform the plaintiffs that they were not willing, nor did they expect to pay the plaintiffs \$3,000.00 per showing.
51. These two defendants, SPOTLIGHT and Fox Cable Networks, Inc. breached the implied covenant of good faith and fair dealing when the plaintiffs fully performed on the agreement but chose not to pay the invoice as set forth in the affidavit for payment.

52. Plaintiffs were damaged in excess of \$75,000.000 as a result of the defendants' breach of the covenant of good faith and fair dealing.

Wherefore, Plaintiffs pray for judgment as follows:

1. Special damages in excess of \$75,000.00 and according to proof at time of trial;
2. General damages in excess of \$75,000.00 and according to proof at time of trial;
3. All costs and fees associated with this litigation as allowed by law;
4. All such other relief as this Court may deem fitting and proper.

Dated: May 4, 2017

Respectfully submitted,

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Attorney for Plaintiffs:
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JURY TRIAL DEMAND

Pursuant to U.S. Constitution Amendment VII, F.R.Civ.P. 38 and Local Rule of Court 38.1, plaintiffs, and each of them demand a trial by jury.

Dated: May 4, 2017

Respectfully submitted,

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